

JUNE 17, 2008

TO: ALL STATE AGENCIES, SCHOOL DISTRICTS, MUNICIPALITIES, VOLUNTEER
FIRE COMPANIES AND POLITICAL SUBDIVISIONS

FROM: KATHERINE WESTON
STATE CONTRACT PROCUREMENT OFFICER
302-857-4557

SUBJECT: **AWARD NOTICE**
CONTRACT NO. GSS-MU-08-406-KW, OFFSITE DATA STORAGE

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KEY CONTRACT INFORMATION**

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KEY CONTRACT INFORMATION

1. MANDATORY USE CONTRACT:

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REF: Title 29, Chapter 6911(d) Delaware Code. Every state department and agency within the Executive Branch and Judicial Branch of the state government shall procure all material, equipment and nonprofessional services through the statewide contracts administered by Government Support Services, Office of Management and Budget. Delaware State University, Delaware Technical and Community College, the operations funded by Public School Districts, Delaware Transit Corporation, Department of Elections, the Legislative Branch and the Board of Pension Trustees and their consultants are specifically exempted from the requirements of this subsection.

2. CONTRACT PERIOD:

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Each Vendors contract shall be valid for a two (2) year period from July 1, 2008 through June 30, 2010. Each contract may be renewed for two (2) additional one (1) year periods through negotiation between the contractor and Government Support Services. Negotiation must be initiated no later than ninety (90) days prior to the termination of the current agreement.

3. VENDORS:

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Vital Records, Inc.
P.O. Box 688
563 New Center Road
Flagtown NJ 08821
Contact: Brian Cassidy
Phone: (908) 369-6900
Fax: (908) 369-7319
Federal E.I. # 22-2330959

4. CURRENT PICK UP AND DELIVERY LOCATIONS:

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Contact the Contractor to schedule your pick up and delivery times and days. The following are the current pickup and delivery locations.

Agency Name – New Castle County	Address	Primary Contact	Phone
Biggs Data Center	1901 N DuPont Highway New Castle DE	Ken Mitchell	302-255-9317
Department of Labor	4425 N Market Street Wilmington DE	Michael Hojnicky	302-576-3120
Department of Transportation	Newark Toll Plaza	Jon Osborne	302-631-4020
Department of Transportation	Middletown Toll Plaza	Jon Osborne	302-631-4020
Division of Industrial Affairs	4425 N Market Street Wilmington DE	Bill Durney	302-761-8183
Health and Social Services	1901 N DuPont Highway New Castle DE	Judy McClafferty	302-255-9191

Agency Name – Kent County	Address	Primary Contact	Phone
Commissioner of Elections	111 S West Street Suite 10, 2 nd floor Dover DE	Allen Jester	302-739-4277
Department of Education	801 Silver Lake Blvd Dover DE	Bob Czeizinger	302-735-4140
Department of Insurance	841 Silver Lake Blvd Dover DE	Carol Jones	302-674-7329
Department of Natural Resources	89 Kings Highway Dover DE	Dave Crown	302-739-9027
Department of State	401 Federal Avenue Dover DE	Steve Gomolski	302-857-3034
DTI – William Penn	801 Silver Lake Blvd Dover DE	Sharen Green	302-379-9539 Office 302-739-9533 Alternate
Economic Office	99 Kings Highway Dover DE	Emad Hanna	302-672-6816
Milford School District	313 Kent Place Milford DE	Tim Atwood	302-424-5469
State Lottery Office	1575 McKee Road Dover DE	Tom King Brenda Sizemore	302-744-1651 302-744-1652
Treasurer's Office	841 Silver Lake Blvd Dover DE	Jim Macnamara	302-672-6700

5. RESPONSE FROM VENDOR FOR SERVICES PROVIDED:

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- A *VRI owns, operates, and is the sole occupants of two high security underground facilities, each originally designed and constructed specifically as Disaster Recovery sites. Both buildings were purchased from their original owners, AT&T and are used exclusively for offsite data protection of magnetic and optical media. Both VRI sites utilize man trap's in gaining access to the facilities.*
- B *The fact that we protect your media in underground buildings facilitates the consistent 68-degree temperature and 40 - 45% humidity levels, which we maintain. The temperature and humidity levels are tracked and recorded by specialized software. Alarms are triggered when our established levels aren't being maintained.*
- C *The fact that we protect your media in underground buildings facilitates the consistent 68-degree temperature and 40 - 45% humidity levels, which we maintain. The temperature and humidity levels are tracked and recorded by specialized software. Alarms are triggered when our established levels aren't being maintained.*
- D *VRI currently maintains a one year record of vault temperature and humidity levels.*
- E *VRI facility personnel complete a monthly (more frequently on certain systems) inspection of the critical systems utilized in the protection of our facilities. These inspections are documented and maintained by our facilities department.*

- F *The VRI Flagtown vault where all media for the State of Delaware is stored is protected by an approved automatic Halon fire suppression protection system. Additionally, there are twenty-two hand held fire extinguishers placed strategically throughout our Flagtown facility. VRI is equipped with a link to a central station monitoring service which will place calls to appropriate authorities based upon the particular alarm. The central station monitors for fire, intrusion, water, temperature and humidity.*
- G *Physical security is a major component of our training policies. All employees are trained by senior level department supervisors / managers utilizing training check-lists cross referenced to standard operating procedures and documented by the employee and the supervisor/manager.*
- H *In the event of loss of commercial power VRI would switch to our diesel generator which provides continuous power for approximately five days without refueling.*
- I *Each VRI site is staffed with qualified operations personnel at all times, 24 hours per day, 365 days per year. Each client account is required to complete a VRI access/authorization form which establishes specific levels of client personnel access. Authorized individuals are capable of making emergency delivery requests of media for recall directly to the client's data center or their business continuity site.*
- J *VRI has a Visitor Notification / Documentation procedure which requires all visitor's to complete our form identifying their name, company or organization, date, time, purpose and duration of visit. These forms are maintained by our administrative manager. Visitors are escorted at all times. All visitors are required to leave all electronic devices, cell phones, cameras and or recording equipment in their vehicle or in our conference room before being escorted into our vault areas.*
- K *In addition to the automatic Halon fire suppression system in each vault, VRI has twenty-two hand held fire extinguishers strategically located throughout our Flagtown facility.*
- L *VRI has traditionally viewed our business as a "Disaster Recovery" support service rather than a "storage" business. Along those lines, we follow two simple rules when protecting a client's media:*
-Always keep a client's media together, and...
-Keep everything in order at all times
If your media is stored in cases, they will be kept together at all times. If the media is individually filed, it will all be stored together and in order at all times. VRI's guarantee for emergency delivery service is three hours to any State of DE agency in New Castle and Kent County and two hours to The State of DE hot site at Sungard in Philadelphia. VRI currently has fifty-eight vehicles in our fleet.
- M *There is not any uncontrolled access to our facilities and our buildings are secured by use of:*
- An electronic gate across our property entrance which is monitored by cctv digital recording.*
 - Electronic access controls at all exterior building entrances which require a two part authentication. An employee must swipe his employee badge which will activate a scramble keypad. The employee must then enter his unique security code (that must match the magnetic strip on the card) in order to gain access to the external entrances.*

- *Once access is gained through the exterior doors, the employee will be contained in a man-trap. In order to gain access from the man-trap into the facility, the employee will be authenticated using a biometric device which scans the employee's iris.*
- *Personnel which are on staff 24 hours a day 365 days a year.*
- *Electronic keyboard access control to interior vault entrances.*
- *Perimeter and interior CCTV digital monitoring and recording of all access points and key areas of our buildings. Recordings are kept for 90 days.*

N *VRI is in compliance with this requirement.*

O *VRI is in compliance with this requirement.*

P *VRI is in compliance with this requirement.*

Q *VRI owns a fleet of 58 vehicles, all equipped with:*

- ✓ *Automatic Fire suppression systems*
- ✓ *Hand-held ABC Fire extinguishers*
- ✓ *Dedicated heating and air conditioning in the cargo area*
- ✓ *Secondary exterior locks*
- ✓ *Welded steel screening separating the driver from the cargo area*
- ✓ *No windows in the cargo area*
- ✓ *Cellular phone*
- ✓ *One Ton Suspension*
- ✓ *Safety Equipment*
- ✓ *Extra Interior Insulation*

All vehicles are tracked at all times by a satellite-based GPS (Global Positioning System). Daily report of all stops maintained permanently.

R *All VRI's employees are bonded with the limit of liability being \$5,000,000.00*

S *VRI utilizes the State Police coordinated non-criminal justice fingerprinting process known as Live Scan provided by Sagem Morpho Inc. In addition to the Live Scan process for fingerprinting, Vital Records, Inc. orders a ChoicePoint National Criminal File on each prospective employee. This file is a comprehensive search of multiple criminal record sources, including fugitive file, state and county criminal record repositories, ChoicePoint proprietary criminal record information, prison, parole and release files from state Department of Corrections, Administrative Office of Courts and other state agencies. Vital Records, Inc. will also update each employee's National Criminal File record on a three year rotation (excluding new hires within that year).*

T *Vehicles do not pull inside our building to unload. Vehicles pull up to overhead doors where the vehicles are quickly unloaded and then the doors are closed. The vault doors are kept closed until media is unloaded. Auditors who have reviewed our facility and procedures feel that bringing vehicles, containing fuel and exhaust systems inside the building, poses a greater risk. Our Halon systems are highly sensitive.*

U *VRI performs system dependent monthly, semi-annual and annual inspections. Annually, VRI conducts a comprehensive facility test which reviews power systems, IT systems, fire suppression, generator, communication systems (land line switch over, satellite phone and cell phone). Individual certified external contractor's inspect VRI's fire suppression, diesel generator, lift systems and temperature and humidity validation. Additionally, annually VRI has an internal risk analysis review.*

- V *VRI will satisfy this requirement upon client request.*
- W *VRI will satisfy this requirement.*
- X *Vital Record's liability for any loss or damage shall be the replacement cost of the medium and container damaged or destroyed (Vital Records shall not be responsible for any re-creation, copying or replacement of any data on the storage medium), it being understood that Vital Record's maximum liability shall be the replacement of such medium or microfilm with material of like quality. Any claims against Vital Records shall be made in writing and delivered to Vital Records within 30 days after such damage, liability or loss becomes known to Customer*
- Y *The VRI Flagtown site is located in a 500 year flood plain and we are in compliance with this requirement.*
- Z *VRI is free of all external markings. All access points into our facility are monitored by cctv digital recording, intrusion alarm or motion detector alarm.*
- AA *VRI is in compliance with this requirement.*
- BB *VRI is in compliance with this requirement.*
- CC *VRI is in compliance with this requirement.*
- DD *VRI is in compliance with this requirement.*
- EE *VRI is in compliance with this requirement.*
- FF *VRI's Flagtown facility has a capacity of approximately 2 million cartridges and our Roxbury facility has a capacity of approximately 8 million cartridges.*
- GG *VRI will satisfy this requirement.*
- HH *VRI will satisfy this requirement.*
- II *VRI is proposing service to the State of Delaware from our Flagtown site. VRI's alternate site for the Flagtown facility is our Roxbury site which is approximately 31 miles from Flagtown. In the event of a disruption at our Flagtown site VRI would provide services for our Flagtown clients from our Roxbury site. Our Roxbury site meets all protection and security specifications of our Flagtown site. VRI has a documented DR plan and portions of this plan are practiced at least annually.*
- JJ *Currently, VRI does not offer electronic vaulting services.*
- KK *VRI will satisfy this requirement.*
- LL *VRI will satisfy this requirement upon request of the client.*
- MM *VRI will satisfy this requirement upon request of the client.*
- NN *VRI vault communication via electronic means is limited in nature and is restricted to authorized individuals on the client access/authorization list. For those clients utilizing the*

VRI Extranet Verification/Online Inventory System the information being transmitted to and from the customer is listings of volume serial numbers which is not deemed sensitive information.

6. PRICING:

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See Appendix A for Price Grid

Prices and/or rates shall remain firm for the term of the contract, unless further negotiations are deemed necessary by the State.

7. PRICE ADJUSTMENT:

If agreement is reached to extend this contract for the second, optional year, the Division of Government Support Services shall have the option of offering a determined price adjustment and shall not exceed the current Philadelphia All Urban Consumers Price Index (CPI-U), U.S. City Average. If the CPI-U is used, any increase/decrease shall reflect the change during the previous published twelve (12) month period at the time of renegotiation.

ADDITIONAL TERMS AND CONDITIONS

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7. BILLING:

The successful vendor is required to **"Bill as Shipped" to the respective ordering agency(s).** Ordering agencies shall provide at a minimum the contract number, ship to and bill to address, contract name and phone number.

8. PAYMENT:

The agencies or school districts involved will authorize and process for payment each invoice within thirty (30) days after the date of receipt. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

9. ORDERING PROCEDURE:

Successful contractors are required to have either a local telephone number within the (302) area code, a toll free (800) number, or agree to accept collect calls. Each agency is responsible for placing their orders and may be accomplished by written purchase order, telephone, fax or computer on-line systems. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

10. HOLD HARMLESS:

The contractor agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the contractor, its employees, and invitees on or about the premises and which arise out of the contractor's performance, or failure to perform as specified in the Agreement.

The following exceptions that were submitted with the RFP have been accepted and incorporated herein:

Reference page 6 of the RFP:

14. LIMITATION OF LIABILITIES AND HOLD HARMLESS

a. Limitation of Liabilities: Vital Record's liability for any loss or damage shall be the replacement cost of the medium and container damaged or destroyed (Vital Records shall not be responsible for any re-creation, copying or replacement of any data on the storage medium), it being understood that Vital Records' maximum liability shall be the replacement of such medium or microfilm with material of like quality. Any claims against Vital Records shall be made in writing and delivered to Vital Records within 30 days after such damage, liability or loss becomes known to Customer.

b. Hold Harmless: Subject to the limitation of liabilities set forth in Section 14a above, as it pertains to the media and data protected under this Agreement, the Contractor agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the contractor, its employees, and invitees on or about the premises and which arise out of the contractor's performance, or failure to perform as specified in the Agreement.

Reference page 24 of RFP

Item D – VRI Currently maintains a one year record of temperature and humidity levels.
Reference page 24 of RFP

Item F – Direct linkage to the police station is no longer available in our area. (Over the years for the most part police stations have gotten out of the alarm monitoring business.) We do, however, have a direct link to a central monitoring service which would notify the appropriate authorities such as police or fire departments.

Reference page 26 of RFP

Item T – Vehicles do not pull inside our building to unload. Vehicles pull up to overhead doors where the vehicles are quickly unloaded and then the doors are closed. The vault doors are kept closed until the media is unloaded. Auditors who have reviewed our facility and procedures feel that bringing vehicles, which have gas tanks inside the building, poses a great risk.

Reference page 28 of RFP

Item II – VRI's alternate site for business continuity preparedness is 31 miles from our primary site not the requested 150 miles.

Reference Appendix A of RFP

Item 4 - Additional Costs: VRI has proposed a different pricing offering for media storage and transportation costs.

Best and Final Offer yielded the following:

All accounts, either current or not current accounts, shall be billed an administrative fee of \$25.00 if their monthly services do not meet the minimum \$30.00 invoicing. This is a per month occurrence.

11. NON-PERFORMANCE:

In the event the contractor does not fulfill its obligations under the terms and conditions of this contract, the ordering agency may purchase equivalent product on the open market. Any difference in cost between the contract prices herein and the price of open market product shall be the responsibility of the contractor. Under no circumstances shall monies be due the contractor in the event open market products can be obtained below contract cost. Any monies charged to the contractor may be deducted from an open invoice.

12. FORCE MAJEURE:

Neither the contractor nor the ordering agency shall be held liable for non-performance under the terms and conditions of this contract due, but not limited to, government restriction, strike, flood, fire, or unforeseen catastrophe beyond either party's control. Each party shall notify the other in writing of any situation that may prevent performance under the terms and conditions of this contract.

13. AGENCY'S RESPONSIBILITIES:

The Agency shall:

- a. Examine and review in detail all letters, reports, drawings and other documents presented by the Contractor to the Agency and render to the Contractor in writing, findings and decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.
- b. Give prompt written notice to the Contractor whenever the Agency observes or otherwise becomes aware of any development that affects the scope or timing of the Contractor's services.

14. CONTRACT COMMITTEE:

Award Notice

Contract No.: GSS-MU-08-406-KW

A committee consisting of members from Government Support Services, Department of State, DTI and Department of Natural Resources and Environmental Control are prepared to handle any question, comments or problems relating to the administration of this contract. Please contact any of the following people:

Katherine Weston	GSS	302-857-4557
David Crown	DNREC	302-739-9027
Sharen Green	DTI	302-739-9539
Peggy Sue Cole	DTI	302-739-9822
James Frazier	DOS	302-744-5039
Bonnie Howell	DTI	302-739-9534